

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6522

BILL NUMBER: HB 1096

DATE PREPARED: Feb 9, 2001

BILL AMENDED: Feb 8, 2001

SUBJECT: Fiscal Year Budgeting for Schools.

FISCAL ANALYST: Chuck Mayfield

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**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

Summary of Legislation: (Amended) This bill changes the South Bend Community School Corporation's budget year from a calendar year to a school year, effective in 2002. It provides that a school corporation may, not later than July 1, 2004, elect to implement a school year budgeting process. The bill requires the school corporation to establish its budget before February 1 for the ensuing school year beginning July 1. The bill also provides that the initial school year budget adopted by an electing school corporation is for the period beginning July 1 of the calendar year following the calendar year in which the election is made. It provides for the conversion from the calendar year budget to a school year budget by requiring the South Bend Community School Corporation to prepare an initial school year budget (2002) that is consistent with and overlaps the last six months of the 2001 calendar year budget.

Effective Date: January 1, 2001 (retroactive); January 1, 2002.

Explanation of State Expenditures: South Bend Community School Corporation would be the fifth school with a school year budget based on the fiscal year. The legislature established a pilot program and was scheduled to move all schools to a fiscal year budget for the 2000-01 school year. SEA 508 - 2000 repealed the requirement of a fiscal year budget, but allowed four of the pilot schools to retain the fiscal year budgeting process. The State Board of Tax Commissioners would probably need to meet with the South Bend Community School Corporation to assist the school in changing from a calendar year to school year budget. The Tax Board would probably experience no additional expense associated with the change.

The bill also allows other schools convert to a fiscal year budget before July 1, 2004. The impact depends on the number of schools that chose to convert to a fiscal year budget. The impact on the State Board of Tax Commissioners would depend on the number of schools that chose to convert. If only a couple convert then the impact would probably be minor, but if 50-100 schools convert then the impact could be much greater. The original plans for the pilot called for 10 school to pilot the fiscal year budget but only 6 school volunteered and two of the six have converted back to a calendar year budget. The number of schools that

might chose to convert is expected to be small.

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) South Bend Community School Corporation and other schools that convert to a fiscal year budget may have some small expenses associated with changing from a calendar year to a school year (fiscal year) budget.

Explanation of Local Revenues:

State Agencies Affected: State Board of Tax Commissioners.

Local Agencies Affected: South Bend Community School Corporation.

Information Sources: